



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

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June 25, 2010

To: Supervisor Gloria Molina, Chair
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer 

SACRAMENTO UPDATE

This memorandum contains pursuit of County positions on legislation regarding compensation for retirees; an update on two County sponsored measures related to streamlining the Termination of Parental Rights appeals process, and the enhancement of the County's homeowner notification program; and a status report on seven County-advocacy measures.

Pursuit of County Position on Legislation

AB 1902 (Portantino), which as amended on March 19, 2010, would: 1) adapt provisions governing Plan E of the Los Angeles County Retirement System by crediting service in the County's new semi-monthly payroll system; 2) allow a disabled member who transferred to Plan D, but does not meet the two-year service requirement for disability retirement, the ability to transfer back to Plan E to allow the member to continue to be eligible for the County's long-term disability benefits; and 3) authorize non-retired Plan E members to use current, forfeited, and vested membership periods, when meeting reciprocity requirements for purposes of determining age of entry.

According to the Los Angeles County Employees Retirement Association (LACERA), this bill would improve and update existing Plan E statutes by allowing precise crediting of retirement service, as a needed safety net for members who recently transferred to Plan D and became disabled.

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The Chief Executive Office Employee Relations Branch indicates that AB 1902 would provide technical clean up language that would assist in the implementation of the new County payroll system and would help disabled employees who transfer between plans.

The Chief Executive Office supports AB 1902. Therefore, consistent with Board policy to support or sponsor local option legislation to implement employee compensation or benefits changes, **the Sacramento advocates will support AB 1902.**

The measure is sponsored by LACERA. There is no support or opposition on file. AB 1902 passed the Senate Committee on Public Employment and Retirement by a vote of 5 to 0 on June 24, 2010.

SB 1425 (Simitian), which as amended on May 4, 2010, would: 1) revise the definition of creditable compensation; 2) limit the calculation of a member's final compensation to an amount not to exceed the average increase in compensation received within the final compensation period and the two preceding years; and 3) require that a retired person may not perform services for any employer covered by a State or local retirement system until that person has been separated from service for a period of at least 180 days. SB 1425 would become operative only if AB 1987 (Ma) is signed into law.

According to the California State Association of Counties (CSAC), SB 1425 would help address pension spiking abuses, where employees artificially inflate their compensation in the year(s) immediately preceding retirement in order to receive larger pensions than they otherwise would be entitled to receive. However, the provision regarding retirees' ability to return to work for a public agency is problematic. This provision would limit all flexibility for counties in dealing with shrinking budgets and loss of expertise that occurs when long-term county employees retire. CSAC opposes SB 1425 unless this provision is deleted or amended.

The Chief Executive Officer Employee Relations Branch indicates that SB 1425 contains provisions which would apply mainly to the California Public Employees' Retirement System and the California State Teachers Retirement System. However, the bill contains a provision to establish a 180-day waiting period for hiring retirees on a temporary basis for up to 120 days per fiscal year. The County currently allows retirees to return after a 90-day waiting period because these retirees are a key source of needed expertise, especially immediately after retirement.

The Chief Executive Office opposes SB 1425 unless amended to retain the 90-day option for retirees to return to County service. Therefore, consistent with Board policy to oppose legislation that mandates or authorizes compensation or benefit changes without approval of the Board of Supervisors and policy regarding bringing back retirees

to perform essential duties, **the Sacramento advocates will oppose SB 1425, unless amended, as described above.**

The measure is supported by the California Public Employees' Retirement System, the California School Boards Association (if amended); the Glendale City Employees Association; the San Bernardino Public Employees Association; the San Luis Obispo County Employees Association; the Santa Rosa City Employees Association; and the Service Employees International Union, Local 1000. It is opposed unless amended by the California Association of School Business Officials, CSAC, and the Judicial Council of California.

SB 1425 passed the Assembly Public Employment, Retirement and Social Security Committee by a vote of 6 to 0 on June 23, 2010. This measure now proceeds to the Assembly Appropriations Committee.

Status of County-Sponsored Legislation

County-sponsored SB 179 (Runner), which as amended on May 20, 2010, would provide a Termination of Parental Rights order may be serviced in person when the parent or guardian is in court at the time the order is made, passed the Senate Floor by a vote of 29 to 0 on June 24, 2010. This measure now proceeds to the Governor.

County-sponsored SB 878 (Liu), which as amended on June 10, 2010, would enhance the County's existing homeowner notification program, passed the Assembly by a vote of 54 to 18 on June 24, 2010. This measure now proceeds back to the Senate for concurrence with Assembly amendments.

Status of County-Advocacy Legislation

County-support-in-concept AB 12 (Beall), which as amended on May 27, 2010, would extend foster care services to youth up to 21 years of age, passed the Senate Judiciary Committee by a vote of 4 to 0 on June 22, 2010. This measure now proceeds to the Senate Appropriations Committee.

County-support in concept AB 963 (Ammiano), which as amended on May 25, 2010, would establish a stakeholder planning workgroup to develop a joint renewal and recertification to streamline the Medi-Cal, Food Stamp, and CalWORKs eligibility determination process, passed the Senate Human Committee by a vote of 3 to 2 on June 22, 2010. This measure now proceeds to the Senate Appropriations Committee.

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County-supported AB 1758 (Ammiano), which as amended March 25, 2010, would remove the designation of the wraparound services program as a pilot project, and would authorize all counties to provide comprehensive services to allow children to remain in a family-like setting instead of being placed into group homes, passed the Senate Human Services Committee by a vote of 5 to 0 on June 22, 2010. This measure now proceeds to the Senate Appropriations Committee.

County-supported AB 2145 (Ammiano), was amended in the Senate Judiciary Committee on June 22, 2010 to extend the pilot project sunset date of the Naloxone drug overdose prevention pilot project from January 1, 2011 to January 1, 2016. As amended, the bill passed the Committee by a vote of 4 to 0. This measure now proceeds to the Senate Floor.

County-supported AB 2592 (Buchanan), which as amended on May 28, 2010, would require the California Department of Education to establish a pilot program to measure the quality of child care and development programs, based on the recommendations of the Early Learning Quality Improvement System Advisory Committee, passed the Senate Education Committee by a vote of 5 to 2 on June 23, 2010. This measure now proceeds to the Senate Appropriations Committee.

County-supported AB 2698 (Block), which as amended April 19, 2010, would strengthen the procedures for requesting credit reports and handling suspected identity theft on behalf of foster youth, passed the Senate Human Services Committee by a vote of 5 to 0 on June 22, 2010. This measure now proceeds to the Senate Appropriations Committee.

County-supported SB 1084 (Liu), which as amended on June 1, 2010, would establish the California Economic Security Task Force to make recommendations to reduce poverty over the next decade, passed the Assembly Committee on Job, Economic Development and the Economy by a vote of 4 to 2 on June 22, 2010. This measure now proceeds to the Assembly Human Services Committee.

We will continue to keep you advised.

WTF:RA
MR:VE:RM:sb

c: All Department Heads
Legislative Strategist